

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4280
ANSWERED ON:22.03.2013
EXCISE DUTY ON INDUSTRIES
Annayyagari Shri Sai Prathap

Will the Minister of FINANCE be pleased to state:

- (a) the rates of Central Excise duty fixed on industries of various capacities;
- (b) whether the small and medium industries have represented against the existing ceiling and if so, the details thereof and reaction of the Government thereto; and
- (c) the steps taken/proposed to be taken by the Government to safeguard the interests of small and medium industries?

Answer

MINISTER OF FINANCE (SHRI P. CHIDAMBARAM)

- (a): Central excise duty is levied on the manufacture of goods, and not on industries. The normal rate of excise duty is 12%
- (b): In their pre-Budget representations, the associations representing the small and medium industries had requested to increase the SSI exemption limit from 1.5 crore to Rs.3 crore or Rs.5 crore. The representations were examined and it has not been found possible to accede to the request on grounds of revenue consideration.
- (c): To safeguard the interests of Micro, Small and Medium Enterprises (MSME), it has been announced in the Budget 2013-14 that non-tax benefits may be made available to a MSME unit for three years after it graduates to a higher category.